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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/632,019	07/30/2003	Cannan Ng	157989-0003	6348

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EXAMINER	
SWARTZ, JAMIE H	
ART UNIT	**PAPER NUMBER**
3694	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	04/18/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary	Application No.	Applicant(s)	
	10/632,019	NG ET AL.	
	Examiner	Art Unit	
	Jamie H. Swartz	3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE ____ MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *30 July 2003*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-20* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-20* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 102

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claims 1-2, 4-7, 9-12, 14-17, and 19-20 are rejected under 35 U.S.C. 102(e) as being anticipated by Weber et al. (US 20030233302 A1).

1. Regarding claim 1, Weber teaches *a method for managing hedge funds* (¶ 7, 66). Weber teaches *conducting market analysis to identify and filter a pool of financial instruments for the construction of a hedge portfolio database* (¶ 7-9, 13-14, 53-66, 72-79, 86). Weber teaches *conducting computerized quantitative analysis on combinations of said financial instruments in said hedge portfolio database to identify potential hedge positions* (¶ 7, 26-47, 55-71). Weber teaches *filtering at least one of said combinations based on filtering parameters to form a clearance combination* (¶ 56-57, 88-93). Weber teaches *placing a trade order to open a hedge position based on said clearance combination* (¶ 30, 56-58, 71-75). Weber teaches *monitoring said hedge position to determine whether trading parameters have been met* (¶ 31-32, 74-79, 94-98). Weber teaches *placing a trade order to close said hedge position* (¶ 26, 31-32, 56-57, 75).

3. Regarding claims 2, 7, and 12 Weber teaches *wherein conducting computerized quantitative analysis on combinations of said financial instruments in said hedge portfolio database includes calculating match, reward, risk, and variance values* (¶ 6, 9-13, 36, 44-47, 53, 57-68, 70-71, 79-81, 84, 97).

2. Regarding claims 4, 9, and 19 Weber teaches *generating accounting data based on said trade orders* (¶ 13-14, 28-49, 52-67).

3. Regarding claims 5, 10, and 20 Weber teaches *generating client statements based on said accounting data* (¶ 28, 39, 60-66, 77).

4. Regarding claim 6, Weber teaches *system for managing hedge funds* (¶ 7, 26-45, 66, abstract). Weber teaches *conducting market analysis to identify and filter a pool of financial instruments for the construction of a hedge portfolio database* (¶ 7-9, 13-14, 53-66, 72-79, 86). Weber teaches *conducting computerized quantitative analysis on combinations of said financial instruments in said hedge portfolio database to identify potential hedge positions* (¶ 7, 26-47, 55-71). Weber teaches *filtering at least one of said combinations based on filtering parameters to form a clearance combination* (¶ 56-57, 88-93). Weber teaches *placing a trade order to open a hedge position based on said clearance combination* (¶ 30, 56-58, 71-75). Weber teaches *monitoring said hedge position to determine whether trading parameters have been met* (¶ 31-32, 74-79, 94-

98). Weber teaches *placing a trade order to close said hedge position* (¶ 26, 31-32, 56-57, 75).

5. Regarding claim 11, Weber teaches *an input device* (¶ 28). Weber teaches *a memory device* (¶ 28). Weber teaches *a processor, coupled to said input device and said memory device* (¶ 28, 45, claim 28). Weber teaches *data representing the conducting of market analysis to identify and filter a pool of financial instruments for the construction of a hedge portfolio* (¶ 7-9, 13-14, 53-66, 72-79, 86). Weber teaches *data representing the conducting analysis on combinations of said of computerized quantitative financial instruments in said hedge portfolio database to identify potential hedge positions* (¶ 7, 26-47, 55-71). Weber teaches *data representing the filtering of at least one of said combinations based on filtering parameters to form a clearance combination* (¶ 56-57, 88-93). Weber teaches *data representing the placement of a trade order to open a hedge position based on said clearance combination* (¶ 30, 56-58, 71-75). Weber teaches *data representing the monitoring of said hedge position to determine whether trading parameters have been met* (¶ 31-32, 74-79, 94-98). Weber teaches *data representing the placement of a trade order to close said hedge position* (¶ 26, 31-32, 56-57, 75). Weber teaches an output device, coupled to said processor, to output said data representing said placement of said trade orders (¶ 28).

6. Regarding claim 14, Weber teaches *processor further generating: data representing accounting data based on said trade orders* (¶ 13-14, 28-49, 52-67).

7. Regarding claim 15, Weber teaches *processor further generating: data representing client statements based on said accounting data* (¶ 28, 39, 60-66, 77).

8. Regarding claim 16, Weber teaches a computer program product for managing hedge funds (¶ 8, 26-45, abstract, claim 16). Weber teaches *conduct market analysis to identify and filter a pool of financial instruments for the construction of a hedge portfolio database* (¶ 7-9, 13-14, 53-66, 72-79, 86). Weber teaches *conduct computerized quantitative analysis on combinations of said financial instruments in said hedge portfolio database to identify potential hedge positions* (¶ 7, 26-47, 55-71). Weber teaches *filter at least one of said combinations based on filtering parameters to form a clearance combination* (¶ 56-57, 88-93). Weber teaches *place a trade order to open a hedge position based on said clearance combination* (¶ 30, 56-58, 71-75). Weber teaches *monitor said hedge position to determine whether trading parameters have been met* (¶ 31-32, 74-79, 94-98). Weber teaches *place a trade order to close said hedge position* (¶ 26, 31-32, 56-57, 75).

9. Regarding claim 17, Weber teaches *said computer readable program code causes said computer to calculate match, reward, risk, and variance values when conducting hedge analysis to identify combinations of said financial instruments in said hedge portfolio for potential hedge positions* (¶ 6, 9-13, 36, 44-47, 53, 57-68, 70-71, 79-81, 84, 97, abstract, claims 16-31).

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

11. Claims 3, 8, 13, and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Weber (US 20030233302 A1) in view of Liew et al. (November 2002) and HFOptimizer software (July 12, 2003 as viewed on the Internet Archives)

12. Regarding claims 3, 8, and 18 Weber teaches a method of managing hedge funds, conducting a market analysis, conducting a quantitative analysis, filtering, placing a trade order, monitoring hedge position, and placing a trade order. Weber does teach a multi factor risk model (¶ 9, 53, 61-63, 69-77, 81, 96). Weber does not teach simulating trading to optimize filtering parameters. However, Liew teaches *simulating trading of at least one of said combinations to optimize said filtering parameters* (pg. 12-15). HFOptimizer software teaches *simulating trading of at least one of said combinations to optimize said filtering parameters* (pg.1-2). Weber teaches a system for pricing and determining a basket of financial instruments for hedging investment risk. Weber describes techniques to produce traded actively managed fund products that are bought or sold in a secondary market throughout the day. Weber teaches a method of pricing and/or hedging investment risk in actively managed traded funds includes using multi-

factor risk models to construct a hedging portfolio for the actively managed traded fund. Liew teaches a bifurcated fund analysis model (BFAM), which uses systematic means of filtering thorough the myriad of funds presented each day. BFAM analyzes a fund of hedge fund manager's strengths and weaknesses using historical returns. BFAM focuses on a set of characteristics that are measurable such as risk management, consistency of performance, diversification, and efficiency. HFOptimizer software is a product that simulates hedge funds to find the optimum portfolio. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Weber to include the details of simulation to reach the optimum combination of securities, stocks, options, bonds, notes, and etc. Simulating allows for artificial replication of the behavior of a system for purposes of analysis. In this specific example it would allow for the calculation and possible modification of the Weber portfolio. Both inventions involve the filtering of hedge funds based on the Liew and HFOptimizer articles it would have been obvious to include the simulation of hedge funds at the time of the invention.

13. Regarding claim 13, Weber teaches a method of managing hedge funds, conducting a market analysis, conducting a quantitative analysis, filtering, placing a trade order, monitoring hedge position, and placing a trade order. Weber does not teach simulating trading to optimize filtering parameters. However, Liew teaches *data representing the simulation of trading of at least one of said combinations to optimize said filtering parameters* (pg. 12-15). HFOptimizer software teaches *data representing the simulation of trading of at least one of said combinations to optimize said filtering*

parameters (pg.1-2). Weber teaches a system for pricing and determining a basket of financial instruments for hedging investment risk. Weber describes techniques to produce traded actively managed fund products that are bought or sold in a secondary market throughout the day. Weber teaches a method of pricing and/or hedging investment risk in actively managed traded funds includes using multi-factor risk models to construct a hedging portfolio for the actively managed traded fund. Liew teaches a bifurcated fund analysis model (BFAM), which uses systematic means of filtering thorough the myriad of funds presented each day. BFAM analyzes a fund of hedge fund manager's strengths and weaknesses using historical returns. BFAM focuses on a set of characteristics that are measurable such as risk management, consistency of performance, diversification, and efficiency. HFOptimizer software is a product that simulates hedge funds to find the optimum portfolio. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Weber to include the details of data representing the simulation to reach the optimum combination of securities, stocks, options, bonds, notes, and etc. Simulating allows for artificial replication of the behavior of a system for purposes of analysis. In this specific example it would allow for the calculation and possible modification of the Weber portfolio. Both inventions involve the filtering of hedge funds based on the Liew and HFOptimizer articles it would have been obvious to include the simulation of hedge funds at the time of the invention.

14. Examiner's Note: The Examiner has cited particular columns and line numbers in the references as applied to the claims for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

15. Other pertinent patents that are viewed as prior art: Gladstone (US 20020004776 A1) and Lange et al. (US 20030115128 A1). Other pertinent article viewed as prior art: Favre (Fall 2002).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jamie H. Swartz whose telephone number is (571) 272-7363. The examiner can normally be reached on 8:00am-4:30pm Monday-Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Jamie Swartz
April 11, 2007

ELLA COLBERT
PRIMARY EXAMINER